

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Station and Branch)
Optimization and)
Consolidation Initiative, 2009)

Docket No. N2009-1

PUBLIC REPRESENTATIVE
THIRD SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF
DOCUMENTS TO UNITED STATES POSTAL SERVICE (PR/USPS-22-30)

(August 20, 2009)

Pursuant to Rules 25 through 28 of the Postal Regulatory Commission Rules of Practice, the Public Representative hereby submits the following interrogatories and requests for production of documents. Definitions and instructions included with the Public Representative's interrogatories PR/USPS-1-6 dated July 10, 2009, are hereby incorporated by reference.

Respectfully Submitted,

/s/ Robert Sidman

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Public Representative for
Docket No. N2009-1

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PR/USPS-22

Please refer to the Postal Service's response to PR/USPS-T1-10(a), where it states: "For purposes of this Initiative, upon deactivation of a facility, a [collection] box at that facility can be removed or relocated to where it can generate the most volume and is convenient to the most customers." If a facility is deactivated, how does the Postal Service determine whether a collection box at a facility will a) remain at that location, b) be moved to another location, or c) be removed from service?

PR/USPS-23

Please refer to the Postal Service's response to DBP/USPS-30 where it states: "Assuming that answer is favorable, subsequent options might be to maintain the status quo, move carriers to a different location and downsize the required space for retail, relocate a piece of mail processing equipment, increasing or decreasing the footprint of the studied facility, or any combination that best suits a particular location or locations. That is why local postal officials must study each situation and document the merits of any proposed reconfiguration."

- a. Are these "subsequent options" discussed in the Postal Service's response to Interrogatory DBP/USPS-30(c) evaluated as part of a discontinuance study? If so, at what stage of the discontinuance study? Please explain.
- b. Please identify where these "subsequent options" were evaluated in the discontinuance studies of library references USPS-LR-N2009-1/2 and USPS-LR-N2009-1/1.
- c. Please identify where, on the Classified Station/Branch or Community Post Office Discontinuance Checklist found in the Post Office Discontinuance Guide (located in Library Reference USPS-LR-N2009-1/3), the "subsequent options" listed in response to Interrogatory DBP/USPS-30(c) are evaluated.
- d. Does any Postal Service employee that is part of the Post Office Discontinuance Program recall any Post Office Discontinuance studies in the past 5 years resulting in one of the subsequent options listed in response to DBP/USPS-30(c) being implemented instead of a closure or consolidation of a branch or station? If so, how many?
- e. If the subsequent options discussed in the Postal Service's response to Interrogatory DBP/USPS-30(c) are not evaluated during a discontinuance

study, where and when are the options listed in the Postal Service's response to Interrogatory DBP/USPS-30(c) discussed, considered, or evaluated as possible alternatives to closure or consolidation?

PR/USPS-24

Please refer to your response to PR/USPS-4(a), and the PowerPoint presentation entitled Station and Branch Optimization, June 3, 2009. At pages 5 and 6, the presentation shows FY 2008 "Total Operating Expenses" of \$15.9 billion for the 3,243 candidate stations and branches in EAS-24 and above post offices. However, the listed expense categories on page 5, i.e., City Carrier Salaries & Benefits (\$9.6 billion), Function 4 Salaries & Benefits (\$3.1 billion), LCD 20/40 Salaries & Benefits (\$0.845 billion), 3B Salaries & Benefits (\$0.213 billion), and Facility Rent/Utility (\$0.4 billion), sum to only \$14.158 billion. The difference is \$1.742 billion. Also, on page 6, it is stated that 60 percent (\$9.6 billion) of the Total Operating Expenses are "Delivery Costs", while there is "Opportunity in [the] Remaining 40%."

- a. Please provide a breakdown of the expense categories that comprise the \$1.742 billion difference.
- b. Of the expense categories provided in response to part a. above, please identify those expense categories that are likely to be reduced, increased, and remain unchanged, as a result of the Station and Branch Optimization and Consolidation Initiative (Initiative). Please explain.
- c. Of the expense categories listed on page 5, i.e., City Carrier Salaries & Benefits, Function 4 Salaries & Benefits, LCD 20/40 Salaries & Benefits, 3B Salaries & Benefits, and Facility Rent/Utility, please identify those expense categories that are likely to be reduced, increased, and remain unchanged, as a result of the Initiative. Please explain.
- d. Please confirm that the "Opportunity in [the] Remaining 40%" equals \$6.3 billion (\$15.9 billion - \$9.6 billion). If not confirmed, please explain and provide the correct figure.
- e. Please identify the expense categories and the amounts for the \$6.3 billion comprising the "Opportunity in [the] Remaining 40%."

PR/USPS-25

Please refer to your response to PR/USPS-4 and the results of the search methodology described in response to PR/USPS-7. Please confirm that other than the Postal Service's Request, the Testimony filed in this case, and the briefing identified in

response to PR/USPS-4(a), there are no documents that detail the centrally directed program discussed on page 6 of the Request. If you do not confirm, please explain. If such documents do exist, please provide copies of them.

PR/USPS-26

Please refer to the statement of the Honorable Susan Collins at the Hearing of the Senate Subcommittee on Federal Financial Management, Government Information, Federal Service, and International Security, Thursday, August 6, 2009. The webcast archive is located at the following link:

<http://www.senate.gov/fplayers/l2009/urlPlayer.cfm?fn=govtaff080609&st=1000&dur=13245>

At minute 41:11 of the hearing, Senator Collins stated the following:

41:11

Senator Collins:

And third, [the Postmaster General] has proposed closing or consolidating postal facilities. The Postal Service is reviewing 677 of its 3200 stations and branches nationwide for closure or consolidation.

Now, let's look at just the proposal for closing or consolidating the 677 branches and stations.

The non-personnel costs of these facilities on the list account for about six/tenths of one percent of overall Postal Service operating costs. That's right: If the Postal Service were to close all of the branches and stations that are on the list—and that's not the plan, but let's say they close every one of them—it would reduce the operating costs, when you exclude personal, by less than one percent.

So we need to look at whether that is worth it, or whether there are better or more effective means of reducing costs.

43:12

Please identify and provide the “non-personnel costs” (i.e., operating costs, less personal costs) of the 677 facilities.

PR/USPS-27

Please refer to The Washington Post, Thursday, August 6, 2009, and the article entitled, "Post Office Loses \$2.4 Billion, Service's Quarterly Report Shows Mail Volume Continuing to Fall," where it states "The list once included as many as 3,000 facilities, and some postal officials privately acknowledge that no more than 200 locations, most of them in downtown urban areas, are likely to close." Please confirm that stations or branches at "no more than 200 locations, most of them in downtown urban areas, are likely to close." If not confirmed, please explain.

PR/USPS-28

Please refer to your response to PR/USPS-4(a), and the Powerpoint presentation entitled Station and Branch Optimization, June 3, 2009.

- a. On page 6 of the Powerpoint presentation, it states that there will be "Supervisor, Manager, F3 & F4 Savings." Please identify and describe the Supervisor, Manager, F3 and F4 Savings that are expected to result from closings or consolidating branches and stations subject to the Initiative.
- b. On page 8 of the Powerpoint presentation, it refers to a "March 09 Training." Please provide all written materials and documents related to the March 09 Training.
- c. Please refer to page 10 of the Powerpoint presentation.
 1. One of the bullet point states that one of the unit considerations under the prescreening process is "Proximity of facilities within 5 miles, or 5-10 mi radius." Are facilities outside a 10 mile radius ever considered in determining whether to subject a branch or station to a discontinuance study? Please explain.
 2. One of the bullet point states that one of the unit considerations under the prescreening process is "Proximity of alternate access within 1 mi radius." Are alternate access sites outside a 1 mile radius ever considered in determining whether to subject a branch or station to a discontinuance study? Please explain.
 3. Please define "alternate access" as that term is used in this second bullet point.

4. One of the bullet points states "Capacity at > 80% (Eliminate)."
 - i. Please define the term "Capacity" at it is used in this bullet point.
 - ii. Does this mean that Headquarters has instructed that all branches and stations that are at a capacity of greater than 80% are not to be subject to a discontinuance study? If not, please explain this bullet point.
5. Other than "Capacity at > 80% (Eliminate)," are there any other criteria that would independently eliminate a particular branch or station from consideration for a discontinuance study? If so, please provide all those criteria.
6. One of the bullet points states "Retail Considerations"
 - i. Does the sub-bullet point that states "Wait time in line not greater than 5 minutes" mean that if the gaining post office already has an average wait time of greater than 5 minutes, it will not be subject to a discontinuance study? If not, please explain.
 - ii. Please define the sub-bullet point that states "retail revenue transaction thresholds (%SPLY)." Does this mean that there are certain retail revenue thresholds that will not subject a particular branch or station to a discontinuance study? If so, please identify those thresholds. If not, please explain this bullet point.
 - iii. Please define the sub-bullet point that states "retail visits thresholds (%SPLY)." Does this mean that there are certain retail visit thresholds that will not subject a particular branch or station to a discontinuance study? If so, please identify those thresholds. If not, please explain this bullet point.
7. On page 15 of the Powerpoint presentation, there is a line for "Clerk Savings" of \$65,061." Please explain how this clerk savings is calculated. Is the clerk terminated or transferred to the gaining facility? If transferred to the

gaining facility, how does the transfer result in a cost savings to the Postal Service.

8. On page 18 of the Powerpoint presentation, there is a bullet for "AVPs, MOS, MDPS Briefings."
 - i. Please define the acronyms AVPs, MOS, and MDPS.
 - ii. Please provide copies of all these AVPs, MOS, and MDPS briefings.

PR/USPS-29

Please refer to the response to PR/USPS-15(a), which confirmed that when examining stations or branches for closure or consolidation, the Postal Service considers "the economic savings to the Postal Service from such closing or consolidation." Response of the United States Postal Service to Public Representative Interrogatory PR/USPS-T2-11(a)(4), Redirected from Witness Matalik. Please define "economic savings" and show how the economic savings to the Postal Service will be calculated.

PR/USPS-30

Please refer to Library Reference USPS-LR-N2009-1/8. Specifically, please refer to Kimberly Matalik's acceptance of a meeting on 7/19/2009 from 1:30PM to 3:30PM (filename: fdbtraining(western) (2).pdf). The message states: "You are invited to join this Facility Optimization Reporting Tool training, next Monday, July 6. This training is estimated to take approximately 1 1/2- 2 hours to complete, and will assist in familiarizing you with the Optimization Reporting Tool." Please identify and describe the Facility Optimization Reporting Tool. Please provide all documents that provide training, guidance, and instructions to users of the Facility Optimization Reporting Tool.